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## Sensemaking and PPP Projects

As per these studies, several events create a discrepancy between the organizations. Identity and image. Ravasi argued that a shift in a competitive environment led managers to engage in sensemaking to basic questions about the organisations identity and existence (Ravasi & Schulz, 2006). Elsbach mentioned that business schools often resort to sensemaking when the release of university rankings is seen to conflict with the perceived image of some schools (Elsbach & Kramer, 1996).

Sensemaking in planned organisational changes refers to situations where despite meticulous planning and preparations, the outcomes do not meet the expectations. Sometimes the new CEO challenges the vision and existing beliefs of the organisation (Denis, Langley, & Cazale, 1996). Leaders often attempt to create a new direction for the organization, which leads to undermining the previous direction. Leaders draw attention to cues from prevailing industry discourses suggesting the need for change (Humphreys & Brown, 2002; Maitlis & Lawrence, 2007). Sometimes the organisations have a very strong self-identity which seeks to preserve the established practices (Nag 2007). This resists any changes even in the event of situations where planned changes do not lead to the desired outcomes.

Therefore, the above discussions suggest that sensemaking literature has come a long way since Weick's initial work. Most of the recent literature conveys the dynamics of organizational sensemaking, and how the actors compete to gain acceptance for a preferred account (Brown 2008; Helms Mills, 2003; Mantere 2012; Monin 2013; Sonenshein, 2010).

In summary, the above discussion provides the following insights regarding sensemaking:

The usual framing of the decision making focuses on the "decision maker", instead of the often strong contextual factors that influence the decision. Sensemaking involves shifting the focus from the decision maker to a distant point, where one can comprehend the powerful contextual factors

Usually there is an implicit expectation that intended action will always lead to intended outcomes. However; this is rarely the case. Intended action almost never leads to intended outcomes (Czarniawska, 2003).

The general assumption is that accuracy of decision makers' perspectives determines the effectiveness of outcomes. However; sensemaking is driven more by plausibility and not accuracy.

Sensemaking lays more emphasis on interpreting abundant, unstructured, often qualitative, data into actionable knowledge. Therefore, sensemaking starts with chaos and then brackets the information into useful compartments. As against this, most organizations attempt to accurately use scarce data in the most effective manner.

Sensemaking lays emphasis on retrospective thinking and use of mental models. In case of multiple stakeholders, each entity will have a different mental model. Therefore, it is often

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difficult to reconcile and take appropriate decision.

The decision maker is confronted with an amorphous stream of experience, and has to face multiple issues simultaneously. Therefore, they look for plausible solutions rather than the optimal ones.

## **PPP through sensemaking lens**

PPP projects involve a partnership between government and a private entity. The main challenges in PPP emanate from the fact that government and private entity have very different organization and management styles and the uncertainties associated with long term contracts. Since the PPP projects are long – term, they are fraught with unforeseen risks and uncertainties. For instance, there is every possibility of a change in political environment, which could in turn change the regulatory framework. This will have a direct impact the project's success. There is also the possibility of opportunistic behavior by the private entity. As the projects are long – term, the possibility of such behavior only increases with time. There are also a large number of risks in the project: technical, financial, regulatory, environmental and public acceptance.

Let us attempt to examine the complexity in PPP projects through the twin lenses of “bounded rationality” and “sensemaking”. Is it possible to design a PPP project, which can foresee every possible future scenario, and safeguard against every likely risk? For instance, is opportunistic behavior inevitable? Or, can the contract be made to safeguard against such behavior? Such questions pertain to the first part of the PPP (design stage). As per “bounded rationality” (BR), the decision making is limited by tractability of the problem, cognitive ability of the mind, and the time available to make decisions. Therefore, the decision makers tend to reach for “satisficing” solutions, instead of “optimal” solutions. The implication is that perhaps, it is almost impossible to design a PPP contract, in which the actual outcome is exactly the same as intended outcome.